

These programs address the needs of our current struggling economy by providing funds to small businesses that work with universities or perform cutting-edge research related to the missions of our different federal agencies.

According to the House Science and Technology Committee, these two programs provide the most federal support—about \$2.3 billion annually—for private-sector technology innovation by small businesses. In these tough economic times, small business innovation becomes an increasingly vital asset to our economy. In my home State of Ohio, the SBIR program has made a significant contribution to the economy by providing \$83 million in awards to small businesses in 2005 and 2006.

As a representative of a congressional district that is home to more than five major medical institutions, I am keenly aware of the role the SBIR program has played in fostering medical breakthroughs. I am very interested in promoting the ability of our researchers to explore and pursue cutting-edge medical advancements and believe that the SBIR program is critical to ensuring that promising medical innovations can move forward.

I am particularly pleased that this legislation includes an annual \$10 million competitive grant program that will provide support and assistance for women, veterans, and minority-owned businesses. In today's fast paced economy, minority businesses are steadily expanding their presence and are increasingly a driving force in the economy.

Today, minorities own over four million firms, generating nearly \$700 billion in yearly revenue and employing over 7 million workers. People of color across the country have embraced business ownership and this legislation will allow more of these firms to participate in Federal research and development activities.

I urge my colleagues to support the passage of H.R. 5819.

Mrs. TAUSCHER, Madam Chairman, I rise today in support of H.R. 5819, the Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, Reauthorization Act.

I thank my colleague from New York, Ms. VELÁZQUEZ, for bringing this bill to the floor today. This legislation would ensure that innovative small businesses in my district and across the country have access to the Federal support they need to conduct research and development and to transform their work into commercially viable products.

Helping small businesses stimulates our economy. Small businesses account for 99 percent of all employers in the United States and are responsible for generating more than half of all new jobs. In particular, the East Bay area of California has hosted countless small business success stories. Throughout my time in Congress, I have been committed to helping these entrepreneurs thrive. This is why I formed a Small Business Advisory Group, which keeps me personally connected with issues affecting small businesses in my district.

Frequently, small business owners need assistance obtaining Federal contracts and grants. To this end, I regularly host seminars to teach small business owners how to apply for grants and contracts, and I work with the Small Business Administration to ensure that underrepresented entrepreneurs like women and minorities are helped to be competitive.

Likewise, I am proud to support this bill, which would encourage greater participation in

STTR and SBIR—programs that help small business innovators connect with research institutions and explore their own technological potential, contribute to the marketplace, and profit from commercialization.

This bill would also expand SBIR eligibility to include venture-backed businesses like biomedical firms, whose advances have been critical to the ongoing competitiveness of America's economy. Finally, the bill proposes a \$10,000,000 Federal grants program to reach out to small firms owned and controlled by women and minorities and small businesses located in areas that are underrepresented in the SBIR program.

Madam Chairman, this bill would give small businesses access to resources that will facilitate discoveries, create jobs, and energize our economy. I commend Ms. VELÁZQUEZ for her leadership on this issue, and I urge my colleagues to join me in supporting the bill.

Mr. JOHNSON of Georgia. Madam Chairman, I rise today in support of H.R. 5819. The Small Business Innovation and Research and Small Business Technology Transfer programs are a critical means of supporting small businesses' research and innovative competitiveness and their technology training and technology exchange.

This bill will increase the number of small firms that can take advantage of these valuable programs by requiring federal agencies to spend at least 3 percent of their annual research and development budgets on these programs. In addition, it will increase the maximum research and technology transfer awards so that these funds are adjusted for inflation and other changes in the economy. These changes will make SBIR and STTR programs available to more businesses and increase the impact they will have on those firms. I am extremely supportive of these provisions and strongly endorse the inclusion of them in this bill.

I think it is important, however, to raise concerns about another section of the bill. Section 201 changes the definition of a small business. It clarifies that businesses that receive the backing of venture capital firms can still be considered small for the purposes of the SBIR and STTR programs. Specifically, the bill permits a small firm that is 100 percent backed by venture capital to be defined as long as not one venture capital firm owns more than 49 percent of the business and those venture capital companies have fewer than 100 employees. In addition, the bill permits large venture capital firms to have up to a 10 percent stake in the small business without jeopardizing the small company's SBIR and STTR eligibility.

These changes to the definition of a small business are disconcerting. Although in this bill they are limited to the SBIR and STTR programs, these provisions establish a dangerous precedent that could pave the way for further alteration of the small business definition. Expanding the eligibility of small business programs to large or venture-capital-funded small businesses puts at risk the success and support of those companies that are truly independently owned and operated. I support H.R. 5819, but because of Section 201, I do so with reservations.

Mr. BRALEY of Iowa. Madam Chairman, I rise today in strong support of H.R. 5919, the SBIR/STTR Reauthorization Act. It is essential to reauthorize this program before it expires

on October 1, 2008 and to implement the updates to this program included in the bill. As the Chairman of the Small Business Subcommittee on Contracting and Technology, I understand the importance of this program to small businesses who want to turn their raw ideas into innovative solutions.

I want to thank Small Business Chairwoman NYDIA VELÁZQUEZ and Ranking Member CHABOT for their work on this legislation. I am continually impressed by the ability of the Small Business Committee to work in a bipartisan manner on legislation that benefits U.S. small businesses. Based on their track record, it is no surprise this bill passed the Small Business Full Committee by a vote of 22-0.

The SBIR Program provides grants to help small businesses through the critical initial stages of product development. The SBIR/STTR Reauthorization Act will address national security priorities and economic development. It will also help in the development of life-saving medical technologies, therapies, and products.

Small Businesses are a primary source of innovation and they can keep us on the forefront of technological advances. I am pleased this bill includes language that will increase participation of small businesses from rural areas, and from minority- and women-owned businesses.

Increased participation will also increase competition. It is important to ensure that taxpayer money is being used to fund the best opportunities for advances in technology. Funding the research we're trying to create is a key objective of this program.

I am also pleased this bill increases the size of maximum awards for the SBIR Program. The current limits have not been raised in 16 years. The SBIR Program is a critical source of funding for early stage research and development and the awards need to be realistic for developments in science and technology.

The SBIR/STTR Reauthorization Act will provide small businesses with the funding and guidance they need to succeed. These small businesses are a big part of the solution for helping us emerge from the difficult economic conditions we face today.

It will also ensure these businesses remain competitive in the global environment they must now compete in. We must give these businesses the support they need to grow. I encourage my colleagues to support this important legislation.

Ms. VELÁZQUEZ. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment is as follows:

H.R. 5819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) *SHORT TITLE.*—This Act may be cited as the "SBIR/STTR Reauthorization Act".

(b) *TABLE OF CONTENTS.*—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.